
04 April 2024

Ashwin Raj
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Dear Ashwin

Expanding the transmission ring-fencing framework – draft determination and draft rule (ERC0371)

Iberdrola Australia appreciates the AEMC providing us with an opportunity to provide feedback on its more preferred draft rule to expand the transmission ring-fencing framework. The rule change is proposed to include negotiated transmission services in transmission ring-fencing, addressing the risk of discrimination, and discouraging potential competitors in providing contestable connection services.

The Iberdrola group is recognised globally for its experience in building, owning, operating, and maintaining electricity lines, substations, transformation centres and other energy infrastructure to transfer electrical power from generation to end-users across relevant jurisdictions as Spain, UK, US and Brazil. Iberdrola currently operates one of the world's largest power distribution systems, comprising more than 1.2 million kilometres of power lines and more than 4,400 substations, which carry electricity to more than 34 million people around the planet. 40% of the group's organic investment for the period 2020-2025 (more than €27 billion) will go to the networks business. Iberdrola Australia is actively looking to fully roll-out these capabilities in country, demonstrating its strong commitment to Australia's energy transition.

We welcome and fully support the AEMC's draft rule change to address gaps in transmission ring-fencing framework. We strongly supported the AER review of the ring-fencing guidelines for electricity transmission.

We support the enforcement of requirements for TNSPs to eliminate discriminatory behaviour related to contestable connections. This includes:

- Sharing resources responsible for management of connection process;
- TNSPs sharing commercial information with their associated non-regulated businesses ;
- Leveraging the existing infrastructure which TNSPs have in order to provide long-term operation and maintenance services; and
- Requirements to report non-compliance to monitor and ensure that TNSPs adhere to the guidelines.

We acknowledge that there are civil penalty provisions in the current Rules for TNSPs non-compliance with transmission ring-fencing guidelines.

Thank you for the opportunity to comment and we look forward to continuing to work with the AEMC and AER to refine the design of the Ringfencing Guidelines. If you would like to discuss any of the matters in this submission, please contact Snehal Patel via email at snehal.patel@iberdrola.com.au.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'RDS', is written over a horizontal line.

Ricardo Da Silva
Network Business Development Manager